ISSN 0704-3716

Canadian Translation of Fisheries and Aquatic Sciences

No. 5265

Financial Management in Unstable Conditions - An empirical study of the fisheries

B. A. Bertheussen

Original title: Okonomistyring I Unstabile Omgivelser - En empirisk undersoklse blant fiskebruk

In: Fiskeriteknologisk Forskningsinstitutt Rapp, 1982 (Foreword and Table of contents only)

Original language: Norwegian

Fisheries & Oceans
LIBRARY
JAN 29 1987
BIBLIOTHÈQUE
Pêches & Océans

Available from:
Canada Institute for Scientific and Technical Information
National Research Council
Ottawa, Ontario, Canada K1A 0S2

1986

6 typescript pages

Secretary of State / Secrétariat d'État

90-02735/

MULTILINGUAL SERVICES DIVISION – DIVISION DES SERVICES MULTILINGUES

TRANSLATION BUREAU BUREAU DES TRADUCTIONS

LIBRARY IDENTIFICATION – FICHE SIGNALÉTIQUE

Translated from - Traduction de	Into - En
Norwegian	English

Author - Auteur

Bernt Arne Bertheussen

Title in English or French - Titre anglais ou français

Financial Management in Unstable Conditions
-An empirical study of the fisheries

Title in foreign language (Transliterate foreign characters)
Titre en langue étrangère (Transcrire en caractères romains)

Okonomistyring I Unstabile Omgivelser -
En empirisk undersokelse blant fiskebruk

Reference in foreign language (Name of book or publication) in full, transliterate foreign characters.
Référence en langue étrangère (Nom du livre ou publication), au complet, transcrire en caractères romains.

Fiskeriteknologsk Forskningsinstitut

Reference in English or French - Référence en anglais ou français

Report from: Institute of Fishery Technology Research

Publisher - Éditeur	DATE OF PUBLICATION / DATE DE PUBLICATION			Page Numbers in original / Numéros des pages dans l'original
Institute of Fishery Technology Research	Year / Année	Volume	Issue No. / Numéro	4
Place of Publication / Lieu de publication				Number of typed pages / Nombre de pages dactylographiées
Norway	1982	-	-	

Requesting Department / Ministère-Client: DFO

Translation Bureau No. / Notre dossier nº: LSM6-00845

Branch or Division / Direction ou Division: IPB

Translator (Initials) / Traducteur (Initiales): SOWF

Person requesting / Demandé par: N. Johnson

Your Number / Votre dossier nº: 2537248

Date of Request / Date de la demande: 86/09/03

Canada

SEC 5-111 (84-10)

Secretary of State / Secrétariat d'État

MULTILINGUAL SERVICES DIVISION – DIVISION DES SERVICES MULTILINGUES

TRANSLATION BUREAU / BUREAU DES TRADUCTIONS

Client's No.–N° du client	Department – Ministère	Division/Branch – Division/Direction	City – Ville
2537248	DFO	IPB	Ottawa
Bureau No.–N° du bureau	**Language – Langue**	**Translator (Initials) – Traducteur (Initiales)**	
LSM6-00845	Norwegian	SOWF	

OCT 21 1985

INSTITUTE OF FISHERY TECHNOLOGY RESEARCH

FINANCIAL MANAGEMENT IN UNSTABLE CONDITIONS - AN EMPIRICAL STUDY OF THE FISHERIES

by

Bernt Arne Bertheussen

The College of Business Administration and Economics

Bergen

UNEDITED TRANSLATION

Information Secretariat

FOREWORD

I wish to use this foreword to express my gratitude to those persons and institutions who have been particularly helpful in this project.

The environment at the Institute of Market Economy has been particularly inspiring and stimulating and I wish to express my special thanks to my professional mentor for two years, Johnny Holbek. The other individual who has been particularly helpful in several phases of the work is Svein-Ottar Olsen. He provided significant assistance in the development of the questionnaire. Thus, the ready availability of empirical data must be credited to him. He also provided important comments on several of the draft reports. Further, I also wish to thank those who, in 1981, participated in the data collection for the "Operational Study" and who took on extra work and interviewed 55 managers in the fishing industry.

This report was made possible mainly by the support of the Norwegian Fisheries Research Council. Without its financial support, I could hardly have undertaken a study of such magnitude. Finally, I wish to mention the Institute of Fishery Technology Research in Tromso and the Norwegian Fish Producers National Association who all supported the study.

All assistance and support was appreciated.

Bergen, June 1982

Bernt Arne Bertheussen

TABLE OF CONTENTS

	Page
CHAPTER 1. FOCUS	1
1.1 Financial management and internal efficiency	1
1.2 Fisheries and financial management	3
1.3 Scope and definitions	4
1.4 Financial management and behaviour-oriented decision theory	7
CHAPTER 2. RESEARCH METHODOLOGY	12
2.1 Field study based on a cross section of data	12
2.2 Unit of analysis	13
2.3 Key informant approach	14
2.4 Empirical framework	15
2.5 Method of selection, data collection and availability of data	17
CHAPTER 3. OPERATIONALISTIC DETERMINATION AND MEASURING OF VARIABLES	22
3.1 Management variable	22
3.1.1 Management variable - theoretical operationalism	22
3.1.2 Management variable - empirical operationalism	25
3.2 Formalization variable	29
3.2.1 Formalization variable - theoretical operationalism	30
3.2.2 Formalization variable - empirical operationalism	32
3.3 Efficiency variable	36
3.4 Validation of concepts	45

		Page
CHAPTER 4.	CONDITIONS OF FINANCIAL MANAGEMENT IN THE FISHING INDUSTRY	48
4.1	Internal basic conditions	48
4.1.1	Competence and experience of operational management	48
4.1.2	Management allocation of time and distribution of influence in small and large operations	50
4.2	External basic conditions	54
4.2.1	The fish processing industry in Northern Norway	54
4.2.2	Instability in the raw materials market	58
4.2.3	Instability in the product market	61
CHAPTER 5.	MANAGEMENT METHODS AND TOOLS	65
5.1	Management by objective	65
5.2	Alternative: Management by comparison	73
5.3	Use of long term plans	79
5.4	Long term planning	82
5.5	Alternative to long term plans: "Fire fighting" and short term management	84
5.5.1	Conventional operations and "fire fighting" management	87
5.5.2	Refrigeration plants and short term management	94
5.6	Use of product estimates	103
5.6.1	Estimates in conventional operations	104
5.6.2	Estimates in refrigeration operations	109
5.7	Liquidity control	114
5.8	Accounting as an information source	117
5.9	Investment estimates and behaviour	124

		Page
5.10	The formalization paradox	126
	5.10.1 The formalization paradox and conventional operations	128
	5.10.2 The formalization paradox and refrigeration plants	132
5.11	Financial management by use of external competence	136
CHAPTER 6.	CONCLUSIONS	142
6.1	Fundamental conclusions	142
6.2	Some practical implications	144
6.3	Characteristics and limitations of the study	147
6.4	Further research	149

Bibliography:

Appendix 1: Field of operations of the Norwegian Fishermen's Association

Appendix 2: Primary data questionnaire

Appendix 3: Secondary data questionnaire

Appendix 4: Additional information regarding the analysis